



TRADE MARKS ACT 1995

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Opposition by Andrew McKell Ward to registration of trade mark 754876 (25) – BAKER STREET CLOTHING COMPANY – in the name of Cartoon Limited.

Background

This issue arises out of the filing, on 13 February 1998, by Cartoon Limited, ('the applicant') of Fitzroy, Victoria, and McAllister Marketing, of application 754876 in Class 25 of the *International (Nice) Classification of Goods and Services* to register the word BAKER STREET CLOTHING Co in plain script in respect of the goods, 'Clothing'. The owners name has subsequently been amended to Cartoon Limited.

During examination of the application, trade mark number 722392 was cited under section 44 of the *Trade Marks Act 1995* ('the Act') as a *prima facie* bar to the registration of the trade mark. Following filing by the applicant of evidence of the use of the trade mark, it was accepted for registration and advertised as such in the *Australian Official Journal of Trade Marks*, on 19 August 1999, under the provisions of section 44(4) of the Act. Section 44(4) provides:

- (4) If the Registrar in either case is satisfied that the applicant, or the applicant and the predecessor in title of the applicant, have continuously used the applicant's trade mark for a period:
- (a) beginning before the priority date for the registration of the other trade mark in respect of:
 - (i) the similar goods or closely related services; or
 - (ii) the similar services or closely related goods; and
 - (b) ending on the priority date for the registration of the applicant's trade mark; the Registrar may not reject the application because of the existence of the other trade mark.

Note 1: An authorised use of the trade mark by a person is taken to be a use of the trade mark by the owner of the trade mark (see subsection 7(3)).

Note 2: For *predecessor in title* see section 6.

Note 3: For *priority date* see section 12.

On 19 November 1999, within the time allowed in which to do so, Andrew James McKell Ward ('the opponent') Plympton Park, South Australia, filed Notice of Opposition ('Notice') to the registration of the trade mark. The Notice states one ground of opposition – under section 60 of the Act.

Evidence

The opponent and applicant have respectively served and filed evidence in support and evidence in answer as provided for by the Act and regulations.

The evidence in support comprises a statutory declaration and exhibits thereto by Andrew James McKell Ward and a declaration and exhibits thereto by Anthony Brenton Allen. The evidence in answer is a statutory declaration, and exhibits thereto, by Janice Mavis Turley-Baker.

Neither party has requested a hearing. Accordingly, the issue has come to me to decide, as a delegate of the Registrar of Trade Marks, based on the material on file.

The Opponent's Evidence

Mr Ward is owner of trade mark registration 722392 details of which are:

Priority Date: 21 November 1996
Goods: Men's and women's fashion garments being goods manufactured in Australia.



'the opponent's trade mark')

Mr Ward deposes that the opponent's trade mark has been used by Ward Agencies Pty Ltd ('Ward Agencies'), of which he is a director, on clothing since about January 1997. Although Mr Ward does not expressly state this, it emerges from the exhibits to his declaration that the garments are manufactured for him by two companies, Clifton Clothing Pty Ltd, of Preston Victoria; and, Uska Knitwear Pty Ltd of Brunswick, Victoria. Mr Ward avers that Andrew Ward Agencies sells and distributes the clothing bearing the opponent's trade mark. I will interpose that it is not clear whether Andrew Ward Agencies is the same person as Ward Agencies.

Although Mr Ward avers that Andrew Ward Agencies sells and distributes the goods to metropolitan and country retailers, I would characterise the locations of these retailers (from the list appended to the declaration), as being suburban and country centres in South Australia and Western Australia. There is one retailer in rural Victoria.

Details of the value of sales of garments under the trade mark are also exhibited to the Ward declaration. Over three years, since winter 1997, these sales have totalled over one hundred thousand dollars.

Mr Ward promotes the goods sold under the trade mark by personal attendance at the premises of the retailers.

Mr Allen is a solicitor employed by Amour & Allen, solicitors for the opponent. He attests that, under instructions from the opponent, he distributed a questionnaire to the retailers that stock the opponent's garments. Copies of the responses to the questionnaire are exhibited to the Allen declaration.

The Applicant's Evidence

Ms Turley-Baker deposes that she is the sole director of the applicant. She avers that her company adopted the opposed trade mark in 1995 with reference to her married name. Before adopting the trade mark, the applicant made inquiries through its selling agents in New Zealand and Australia and did not find any similar name. The opposed trade mark has, says Ms Turley-Baker, been continuously used by the applicant in Australia since 1995 – copies of two receipts from September 1995 are exhibited to her declaration. Use of the trade mark was first in Victoria in 1995, then in New South Wales in 1996, and then in Queensland and Western Australia in 1998.

Mr Turley-Baker exhibits a sales schedule to her declaration which shows that, in 1995, sales were in the region of \$180,000 in Australia and, since 1997, in excess of a million dollars a year. A total of 172 retailers in Australia carry goods bearing the opposed trade mark – a list of these is appended to the declaration. I would characterise these retailers as being up-market metropolitan stores.

The applicant promotes the opposed trade mark in a variety of ways. The goods have been advertised and promoted through the David Jones catalogue, the Internet, advertising subsidies to retailers and provision of stock posters, and store-signs, to its customer retailers.

Reasons

Although both parties have adduced evidence concerning the honest concurrent user or prior use of the opposed trade mark, I am precluded from considering this by the terms of the Notice of Opposition which cites only a ground in terms of section 60 of the Act. Considerations under section 60 are independent from those under section 44 and concurrent user has no operation under section 60. As stated by Kenny J in *McCormick & Company Inc v McCormick* [2000] FCA 1335 at paragraph 93:

[T]he structure of the Act and the provisions with which this appeal is concerned differ markedly from the 1955 Act. Parts 4 and 5 of the Act relate to separate stages in the registration process. The reasoning that led Mason CJ, Dawson, Toohey and Gaudron JJ to hold that s 28 was subject to s 34 of the 1955 Act does not apply under the new Act. Within Division 2 of Part 4, s 44(1) provides for a ground for rejecting an application before acceptance by the Registrar. Subsection 44(1) expressly states that it is subject to s 44(3), the honest concurrent user provision. The whole of s 44 is expressed as an interlocking series of subsections. Section 60, which is part of a Division specifically setting out the grounds for opposing registration, is directed to the position after acceptance. Section 60 is not expressed to be subject to s 44(3), any analogous limitation, or even the Act generally: contrast s 89(1). On its face, it is a stand-alone provision. Furthermore, s 60 is apparently intended to afford a ground of opposition that is additional to the grounds set out in Part 4. Section 57 expressly states that the grounds of opposition may be "any of the grounds on which an application for the registration of a trade mark may be rejected under Division 2 of Part 4" (which includes s 44). Sections 58 to 62 add further grounds for opposition. On its face, there is no honest concurrent user exception to s 60.

It follows that, to any extent that it might go to the honest concurrent user of the trade marks, the survey and other evidence led by the parties that go to concurrent user is irrelevant. Richard Allen, solicitor, of Armour & Allen, has put in written submissions on behalf of the opponent. However, these too are couched in terms of section 44 of the Act.

Section 60

Section 60 of the Act provides:

60 Trade mark similar to trade mark that has acquired a reputation in Australia

The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

- (a) it is substantially identical with, or deceptively similar to, a trade mark that, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, had acquired a reputation in Australia; and
- (b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

Note 1: For *deceptively similar* see section 10.

Note 2: For *priority date* see section 12.

For convenience sake, and for reasons which will become apparent, I will not consider the similarity of the trade marks.

In *McCormick*, above, at paragraph 81, Kenny J said:

What is intended by the word "reputation" in s 60? The word is defined in The Macquarie Dictionary as follows:

reputation ... 1. the estimation in which a person or thing is held, esp. by the community or the public generally; *repute* ... 2. favourable repute; good name ... 3. A favourable and publicly recognised name or standing for merit, achievement, etc. ... 4. The estimation or name of being, having done, etc, something specified.

Cf. *The Oxford English Dictionary*. In s 60, the word is, I think, apt to refer to "the recognition of the McCormick & Co marks by the public generally".

Kenny J then discussed the various ways in which the reputation of a trade mark could be assessed. At paragraph 84, she discussed the exact nature of the opponent/appellant products; the price of these products in relation to the considerable volume of sales of the goods; and, the evidence of witnesses.

However, it is not possible to assess the reputation of the opponent's trade mark, at the priority date (13 February 1998) of the opposed application, from the evidence that the opponent has led. I can only gain a general impression from the evidence that the trade mark is used in relation to budget women's clothing; there are no details in the evidence that show the exact nature of the clothing; the unit cost of the garments; what portion of the public that these are marketed to and so on. Therefore, although the opponent had sold some \$48,000 worth of goods under his trade mark by the priority date of this opposed application, this figure hangs in a vacuum as far as it may infer any reputation of the trade mark. In so far as the survey evidence exhibited to the Allen declaration might go to the reputation of the opponent's trade mark, it must be observed that the respondents to the survey are all emporium owners or employees whose shops stock goods bearing the opponent's trade mark. Further, they all know the opponent, who attests that he regularly attends at their stores. Under these circumstances, their knowledge of the opponent's trade mark is a given and this evidence does not establish reputation among the public generally as per *McCormick*, above.

It might also be fairly observed that the process of assessing the reputation of the opponent's trade mark is further complicated by the fact that, by the priority date, the applicant had sold several millions of dollars worth of goods under the opposed trade mark. In fact, it appears from the evidence that the applicant had sold in excess of two million dollars worth of clothing under the opposed trade mark prior to both the priority date and first use of the trade mark on which the opponent relies.

It is essential to the operation of section 60 of the Act that the trade mark on which an opponent relies has a reputation. The opponent's evidence does not establish the reputation of the trade mark on which it relies. Consideration of the other aspects of section 60 are therefore otiose.

Decision

Section 55 of the Act provides:

55 Decision

Unless the proceedings are discontinued or dismissed, the Registrar must, at the end, decide:

- (a) to refuse to register the trade mark; or
 - (b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application;
- having regard to the extent (if any) to which any ground on which the application was opposed has been established.

Note: For *limitations* see section 6.

The application was opposed under section 60 of the Act and the opponent has not established this ground. On the elapse of the period allowed in which to appeal against these Reasons, the application may proceed to registration on the terms under which it was accepted.

Costs

I have received no submissions as to costs and I therefore make no order.

Ian Thompson
Hearing Officer

5 March 2002

